

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF NOLIN	)	
RURAL ELECTRIC COOPERATIVE CORPORATION)	)	
FOR AN ORDER AUTHORIZING A PASS-	)	CASE NO. 8415-M
THROUGH OF EAST KENTUCKY POWER WHOLE-	)	
SALE POWER RATE INCREASE IN	)	
CASE NO. 8400	)	

O R D E R

Nolin Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8400. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8400, East Kentucky requested an increase in revenue of approximately \$24,110,886. Of this total increase, Applicant would experience an increase in power costs of approximately \$1,425,062, which represents 5.91 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 18.2 percent.

On December 18, 1981, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's filing requirements and to flow through the increase by use of a purchased power adjustment clause promulgated by the Commission. In its order of February 3, 1982, the Commission authorized Applicant to deviate from the

filing requirements and to file certain information deemed essential to the Commission's consideration of the request to flow through any wholesale power increase received from East Kentucky.

Hearings were held on April 27 and 28, 1982, at the Commission's offices in Frankfort, Kentucky. The Consumer Protection Division of the Attorney General's Office, Charles F. Cook of Clark County, Kentucky, and Sarah A. Bowers, Mt. Hermon, Kentucky, were the intervenors of record.

It is the opinion of the Commission that the most equitable method to use in processing the increased power cost for rate-making purposes in this case is the energy adder per metered KWH sales. All of the Applicants except Clark Rural Electric Cooperative and Grayson Rural Electric Cooperative used this method. These two applications have been adjusted to this method.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8400 is \$14,951,106 which will result in an increase in power costs to Applicant of \$ 885,136.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8400.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final order in Case No. 8400.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

(5) The most equitable method to use in processing the increased power costs for rate-making purposes is the energy adder charge, which should be used to determine the final rates in this case.

IT IS THEREFORE ORDERED that Nolin Rural Electric Cooperative Corporation is hereby authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8400.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Nolin Rural Electric Cooperative Corporation shall, within 20 days from the date of this order, file its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 3rd day of June, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Volk  
Chairman

Katharine Baudell  
Vice Chairman

Sam Kaugan  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8415-M DATED JUNE 3, 1982

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

#### SCHEDULE 1 RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES\*

##### Rates:

First	40 KWH Per Month or Less	\$6.49	(Minimum Bill)
Next	60 KWH Per Month	.10634	Net Per KWH
Over	100 KWH Per Month	.04935	Net Per KWH

##### Minimum Charge:

The minimum monthly charge for single phase service shall be \$6.49.

#### SCHEDULE 2 COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE\*

##### Rates:

First	40 KWH Per Month or Less	\$6.49	(Minimum Bill)
Next	60 KWH Per Month	.10634	Net Per KWH
Next	2,900 KWH Per Month	.06255	Net Per KWH
Over	3,000 KWH Per Month	.05143	Net Per KWH

##### Minimum Charge:

The minimum monthly charge for single phase service shall be \$6.49.

SCHEDULE 3  
LARGE POWER\*

Rates:

Demand Charge

\$3.14 Per Kilowatt of Billing Demand Per Month

Energy Charge

First	2,500 KWH Per Month	\$ .05182	Net Per KWH
Next	12,500 KWH Per Month	.04725	Net Per KWH
Over	15,000 KWH Per Month	.04588	Net Per KWH

SCHEDULE 4  
INDUSTRIAL\*

Rates:

Demand Charge

\$3.14 Per Kilowatt of Billing Demand Per Month

Energy Charge

First	3,500 KWH Per Month	\$ .05672	Net Per KWH
Next	6,500 KWH Per Month	.04359	Net Per KWH
Over	10,000 KWH Per Month	.04017	Net Per KWH

SCHEDULE 5  
RURAL LIGHT

Applicable: Entire Service Area\*

Rates:

Service for the above unit shall be unmetered and billed on the consumer's monthly bill for other electrical service furnished by the Cooperative, at the rate of \$5.65 each and every month for each lighting fixture contracted for by the consumer.

SCHEDULE 6

Rates:

Mercury Vapor Series or Multiple KWH/Light

Standard Overhead			
7,000 Initial Lumens	75	\$2.63	Per Light Per Month
20,000 Initial Lumens	170	\$8.28	Per Light Per Month

Ornamental Service

7,000 Initial Lumens

75

\$ 3.78 Per Light Per  
Month

20,000 Initial Lumens

170

9.68 Per Light Per  
Month

\*Fuel Adjustment Clause:

The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.